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Charting Relationship Marketing Practice: It Really Didn't Emerge in the 1970s

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Abstract

Purpose: To provide a history of relational perspectives in marketing practice from the nineteenth through to the twentieth century.

Design/methodology/approach: Engages in a systematic reading of published histories of retailing practice using the key attributes of transaction and relationship marketing as a conceptual framework to interrogate whether earlier practitioners were committed to either approach.

Findings: This paper supplements the studies conducted in other domains that undermine the idea that relational practices were rejected in favor of transaction-type approaches during the industrialization of the United States and Canada.

Practical implications: The content of this paper provides textbook authors with a means to fundamentally revise the way they discuss relationship marketing. It has a similar pedagogic utility.

Originality/value: This paper studies the writings of practitioners known to be pioneers of retailing to unravel their business philosophies, comparing and contrasting these to known attributes of relationship marketing. It deals with an historical period that has not previously been studied in this level of detail by marketing historians.

Keywords: Retailing; relationship marketing; merchant prince; marketing ethics; golden rule.

Paper type: Research paper.

Charting Relationship Marketing Practice: It Really Didn't Emerge in the 1970s

“Now that relationship marketing has become popular, professors and textbook writers crawl out of the woodwork claiming they were the first – or at least among the earliest – to see the importance of relationships.”
(Gummesson, 1997, p. 54)

Introduction

Historically minded scholars can be guilty of many vices, perhaps the most obvious when they start to write about “relationship marketing” is tempocentrism. For McCracken (1987) this means using a concept that has an intellectual genealogy of recent origin to study the past. In equal measure, it is easy to present an image of history characterized by more continuity from the past to the present than might be accurate (Fullerton, 1988). This paper seeks to overcome these issues by using a variety of key concepts (e.g. relationship, customer retention, mutual benefit) and empirical indications of long-term exchange relations to explore the extent to which the depiction of the development of marketing thought into roughly distinct periods of “one shot” transactions versus long-term relationships accurately reflects the development of marketing practice.

Received wisdom tells us that relationship marketing was conceptualized in the 1970s (O'Malley, 2014) when empirical evidence seemed to indicate changing purchasing practices among industrial companies which were increasingly being characterized by extended, mutually cooperative behavior (e.g. Turnbull *et al.*, 2002). For many commentators, relationship marketing is a reaction to the perceived deficiencies of transaction marketing. This is a perspective that prominent contributors to these debates associate with the growth in industrialization and mass marketing (Sheth and Parvatiyar, 1995). Schematically, transaction marketing is defined by a focus on the single sale (Egan, 2004), a product rather than customer orientation (Palmer, 1994), minimized customer contact and less emphasis devoted to customer service (Gummesson, 1994, 1996, 2008). And immediate profitability irrespective of the harm done to long-term repeat custom was apparently the order of the day (Gummesson, 2008).

In their seminal statement on this topic, Morgan and Hunt (1994, p. 22) defined relationship marketing as “all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges”. For a number of scholars, relationship marketing as a concept is simply the reinvention of the marketing concept (Brown, 1998). The latter idea, of course, hinged on the notions that organizations should treat the customer as their focus of attention, produce goods and services in line with their needs (provided it was likely to achieve profit objectives) and engage in market research to tap into the “voice of the customer” (Keith, 1960; Jones and Richardson, 2007). Relational perspectives, arguably, extend these ideas to take account of the fact that companies generally want to retain their customer base because it is often cheaper to service existing customers than pursue new clients (Tadajewski and Saren, 2009). Relationship marketing, in other words, explicitly stresses ideas that would logically follow from the enactment of the marketing concept.

Historically, then, the concept of relationship marketing has been associated with the cultivation of close, personal relationships between an organization and its customer base (e.g. Dwyer *et al.*, 1987; Levitt, 1983; O'Malley and Prothero, 2004). Developing such relations is not easy. Companies have to provide products and services that are desirable to

their customers. These items have to be desirable in the eyes of the customer, with what is deemed valuable contingent on consumer perception (O'Malley and Tynan, 2000; O'Malley and Prothero, 2004). If, for example, consumers seek value-for-money, then it is this attribute likely to help foster the longer-term relations desired (Grönroos, 1990).

Moreover, since these relationships are often not contractual in nature (Saren and Tzokas, 1998), with the weight of the legal community behind them, they have to be underpinned by trust (Anderson and Narus, 1990), organizational commitment to the customer (Dwyer *et al.*, 1987) and mutual benefit (Czepiel, 1990). In more detail, we can say that relationship marketing practice exhibits a profound concern for customer retention (Egan, 2004; Harker and Egan, 2006), a focus on consumer needs, wants and desires (O'Malley and Tynan, 2000), and greater emphasis placed on customer service (Berry, 1983; Gummesson, 1994, 1997).

However, when we start to read this literature closely, a more complex picture emerges regarding the genealogy of relationship marketing. Put simply, we should be wary of assuming that the cultivation of long-term relationships is a practice (rather than an academic concept) which is only discernible from the 1970s onwards (O'Malley, 2014). Berry (1995), for example, describes it as a “new-old concept” (see also Petrof, 1997). Grönroos (1994) refers to stories from ancient Chinese and Middle Eastern folklore that bear the traces of relationship marketing type themes. O'Malley (2014) provides a summary of Chinese, Thai, Russian, and Middle Eastern historical antecedents to relationship marketing. Gummesson (2000, p. 37) asserts that “both relationship marketing and network organizations have been around since the dawn of business” (see also Gummesson, 1994, p. 5, 1997, p. 55; Palmer, 1994, p. 571; Payne, 2000, p. 39). Möller (2006) is somewhat more critical of the extant literature that parses the development of marketing theory and practice into two periods – one categorized as dominated by transaction marketing whereby each firm only anticipated a single interaction with the customer – to the relational period whereby long-term satisfactory relationships were key, as primarily a rhetorical gesture. As he puts it: “It is difficult to imagine that any marketer would intentionally try to serve each customer only once” (Möller, 2006, p. 444; cf. Brodie *et al.*, 1997).

Sheth and Parvatiyar (1995) and Gummesson (1997), however, both provide us with more detail in terms of how and when relationship marketing first emerged. Sheth and Parvatiyar argue that it was present in a pre-industrial era. Their periodization is vague and they talk about the Silk Road and other exemplars which suggests the mid-fifteenth century at the latest. In this context traders needed to trust each other and they tended to frequent the same sellers. These relational exchanges however halt with industrialization – a period that we can guesstimate takes place in the mid-nineteenth century in the United States according to the signposting provided by Sheth and Parvatiyar. Both Sheth and Parvatiyar (1995) and Gummesson (1997) posit that industrialization and the expansion of mass markets led to the decline in interest in relationships and the rise of the types of transaction marketing discussed above (Sheth and Parvatiyar, 1995). What is problematic about their proposition is that it runs counter to the various historical studies that chart business practices in the nineteenth and twentieth centuries (e.g. Keep *et al.*, 1998; Strasser, 1989, pp. 84, 85, 87, 101, 184-186, 194, 201; Tadajewski, 2008).

Whether we look at the writings of scholarly contributors (Tadajewski and Saren, 2009) or studies that chart the semantic shifts in marketing discourse from reciprocity to trade relations and on to relationship marketing (Tadajewski, 2009b), it is obvious that relationships, customer retention, “business building” (Tadajewski, 2011) and all elements of

business practice that help achieve these aims, are features of the practitioner landscape that did not – *contra* Sheth and Parvatiyar (1995) and Gummesson (1997) – disappear with the growth of industrialization.

What the historical literature on relationship marketing in business-to-business contexts reveals, whether in the hands of Arthur Jerome Eddy (Tadajewski, 2009a), the interrelated debates on reciprocity and trade relations (Tadajewski, 2009b), the discussions of trade associations and their interest in the satisfaction of the consumer (e.g. Borden, 1932; Lyon, 1927; Lyon and Abramson, 1936), the sharing of research facilities (e.g. Lyon, 1927; Weld, 1923) and market intelligence (e.g. Reeves, 1924), the sharing of patents (e.g. Frederick, 1930) and many other elements of inter-firm activity, are present in many domains of business practice (Keep *et al.*, 1998).

But what has not been explored is whether the kinds of relational practices that Tadajewski (2008) illuminates in the case of John Wanamaker's business philosophy were reflected in the activities of other retailing pioneers during the time the American economy was industrializing. Reflecting this concern, the account that follows will delve into existing historical research on retailing and retailers, most notably the practices of small country merchants as well as the business philosophies of the "merchant princes", specifically A.T. Stewart, Potter Palmer, Marshall Field, Harry Gordon Selfridge, J.C. Penney and T. Eaton. This sample is important because their articulations of business "principles" were viewed as fundamentally restructuring "general" business practice¹ (Jones, 1912, p. 461). They were, in short, some of the most prominent retailers of their day. To trace the dissemination of relational practices beyond the spheres of these figures, we review the practitioner literatures of the late nineteenth, early twentieth centuries.

Methodologically, this paper engages in a systematic reading of published histories of retailing practice using the key attributes of transaction and relationship marketing as a conceptual framework to interrogate whether earlier practitioners were committed to either approach. It is based on both primary material, that is, publications produced by authors who were involved with the practices documented as well as secondary sources. Secondary source materials are generally materials published after the time period under consideration, usually by outside observers such as later historians. Confirming as well as disconfirming evidence is provided to illustrate that these practitioners had their own personal biases that sometimes entailed them treating certain groups of consumers in less desirable ways.

Please note, we do not simply engage with all the relevant "merchant princes", particularly if their contributions to relational thought have been comprehensively detailed elsewhere, as in the case of John Wanamaker, due to space restrictions (e.g. Tadajewski, 2008). The same is true of recent literature that documents the presence of relational themes in the scholarly marketing literature from 1900 to 1950 (e.g. Tadajewski and Saren, 2009) or studies which chart the presence of relationship marketing practices in the business-to-business literature over the course of the twentieth century (e.g. Tadajewski, 2009a, 2009b). There were, furthermore, numerous other spheres of business activity where relational practices are in evidence. These have been explored by Kleindl (2007) in the case of the public library system, the multiple industries (advertising agencies, the Pullman Company, some department stores, and textile mills) explored by Keep *et al* (1998), and to a lesser extent the rental library business (Rassuli and Hollander, 2001). Since all of this literature is available for consultation, this study focuses on practices that have remained largely unexplored and have never been synthesized under the rubric of relational perspectives.

We should underline that the business policies and practices that we do explore should not be viewed as idiosyncratic aberrations, but harbingers of best practice for the wider community. As Susan Strasser and Bernice Fitz-Gibbon have pointed out, there were many manufacturers and retailers who were intent on fostering close relationships with their customers (e.g. Fitz-Gibbon, 1967, p. 206; Strasser, 1989, p. 23). Having registered the limitations of this study, let us begin with the practices of the small shopkeeper in the early nineteenth century.

The Early Nineteenth Century: The Small Shopkeeper in the American South

Historically America was peppered with small retailers who occupied an important place in their local community. They provided access to goods and services on terms that were responsive to the needs of farmers who could only pay for products and services following the harvest period. Recalling that America in the early nineteenth century was predominantly rural, with the great majority of the population living outside of cities, the small shopkeeper was an essential resource base.

As an example, the provision of credit could literally ensure that farmers, their families and a local community reliant on the land could survive a bad crop – a function that they continued to perform as the United States underwent industrialization, using their knowledge of their patrons to grant credit to regular customers who could be trusted (e.g. Strasser, 1989, pp. 68-69). These features of the business environment thus contradict the arguments of Sheth and Parvatiyar (1995) and Gummesson (1997) who claim that during this period we should see little if any evidence of such practices.

Such relational themes are a feature of specialist accounts of the practices of small retailers during the early nineteenth century. In his study of small country stores in southern America between 1800 and 1860, Lewis Atherton indicates the fostering, affirmation and prevalence of close relationship ties between the small shopkeeper and their farming clientele. These stores provided numerous services to their patrons. These included the provision of foods and dry-goods (e.g. clothing). Small stores, moreover, were open to the bartering of products for farm produce when money was short or they needed fresh products for their other customers.

That the relationships which developed between shopkeeper and farmer exemplify relationship marketing is indicated in a notice that was circulated by a retiring storekeeper in 1841: “In retiring from a business in which he has been actively engaged for the last 23 years; and in parting with his many old, substantial and liberal customers and friends, the undersigned cannot avoid emotions of deep feeling and regret” (in Atherton, 1968, p. 23). These sentiments seem common from the records of small business people in the south of the United States. As is the case with historical and contemporary instances of companies intent on cultivating reciprocity, what appear at face value to be simply instrumental relationshipsⁱⁱ between profit-making concerns ended up as fostering social and personal bonds (Tadajewski, 2008, 2009b). Those who had to travel to replenish stocks, meet with their suppliers and generate new sales leads, often also referred to their travelling as enabling them to “renew friendships with old customers” (Atherton, 1968, p. 26).

The relationships that could flourish between those in business often went far beyond mere business exchanges, extending into real personal affection and interest. One such example is provided by the relationship of C.D. Hamilton and the company he sold his crops to in New Orleans (the latter also purchased the supplies Hamilton needed for his subsistence and farm activities). The private correspondence of Mr. Hamilton and Richard Nugent (his

middleman) indicates a business and social relationship underpinned by reciprocity –a key element in relational discourse (e.g. Bagozzi, 1995; Tadajewski, 2009b). In a citation worth reprinting in full, Atherton (1968, p. 27) explains:

“The business relationship gradually blossomed into a strong personal attachment between the Nugents and Hamiltons. Nugent was personally acquainted with all the Hamiltons and, in his letters, was solicitous of their welfare. If the attention of a New Orleans doctor seemed advisable for one of the Hamiltons, Nugent arranged to care for the invalid while in the city and thus relieved the family from the necessity of making numerous small decisions. He sent wine and oysters as gifts to the family at holiday seasons, as well as an occasional cask of ice during the summer. Personal errands for the family were gladly undertaken. On one occasion Mrs. Hamilton was very anxious to have a lock of hair inserted in a breast pin. Nugent took the time necessary to supervise a New Orleans jeweler’s efforts to follow her directions in the matter. In return, Hamilton sold his sugar and cotton through the New Orleans house, and purchased wagons, provisions, and clothing in the same manner.”

But, like later discussions of the power inequalities between companies which used the invocation of reciprocity to cloak disparities (Tadajewski, 2009b), business people in the early to mid-nineteenth century were aware that forming close relationships with their customers had another function. It made it harder for the customer to terminate any business relationship and shift their patronage to a competitor. For instance, once a relationship was formed between a farmer who needed to exchange his crop of cotton for food and related produce as a way of meeting their extensive credit obligations it “more tightly bound” them “to the storekeeper” (Atherton, 1968, p. 48). This was because shopkeepers offered better terms for farm produce exchanged for merchandise than the farmer could have received in cash terms. It therefore made little sense for them to shift their obligations elsewhere. From the start of this study, therefore, relationships in business practice had a double-edge; an edge that is refracted throughout the nineteenth, twentieth and twenty-first centuries (Tadajewski, 2009b).

Mid-Nineteenth to Mid-Twentieth Century: A.T. Stewart (1803-1876)

The nineteenth century saw the rise of the department store and a number of key figures in this industry earned the accolade of “merchant princes”. These were figures whose ability to succeed was based on an appreciation of customer needs, wants and desires. And, as we shall see many times, their practices are far removed from what contemporary scholars tell us we should witness, particularly in terms of the inflexion of their activities with ethical concerns (cf. Smith, 1995). These were not, in short, people who believed in taking advantage of the customer, nor with violating ethical injunctions like the Golden Rule (i.e. do unto others as you would have them do unto you).

One of the first retailing pioneers whose success was noted on the national stage was Alexander Turney Stewart (1803-1876). Unfortunately, there is a comparative paucity of information on his actual retailing practices, so what we are left with provides only a broad-brush insight into his activities. Suffice to say, from his start in business in 1823 in New York, Stewart eventually operated a number of the finest retail establishments of the mid-nineteenth century. His wholesale business was equally impressive and like many similar enterprises such as that operated by Marshall Field was the most profitable part of his business (Palmer, 1963). Put differently, Stewart was a giant of retailing practice whose

business rode the waves of industrial growth that follow large-scale wars which in Stewart's case was the American Civil War (Leach, 1994, p. 21).

Clad in marble, his “marble palace” was the go-to destination for affluent ladies in New York (opened in 1848, consumed by fire in the middle of the twentieth century). His other stores in New York were equally notable, including the vast cast iron framed store he erected in 1862. As one of his main contributions to retailing practice, Stewart pioneered the idea of “one-price”, the idea that prices should be clearly marked and that all should pay alike. This was an important contribution inasmuch as it helped facilitate trust between the customer and the organization; an especially salient feature of the retailing landscape when rural residents viewed the cities as dangerous places populated by mendacious marketers (Tadajewski, 2008). This approach appealed to numerous practitioners – notably John Wanamaker who made this approach famous (Tadajewski, 2008) and it was later replicated in Canada by T. Eaton (Haight, 2013) – and eventually gained widespread usage.

What is more, he did not pursue a transaction approach to business-customer interaction, limiting his time with them, and offering minimal customer service (Berry, 1983; Gummesson, 1994, 1997). Stewart was aware that the personal touch was something that important customers valued and he would meet them at the door of his store, welcome them, cater to their requirements, and where appropriate place them in the hands of his skilled – and frequently very good looking – male staff (Wendt and Kogan, 1952/1984); practices that Gummesson (1997, p. 54) links conclusively with relationship marketing. These are all approaches to the customer that we will see replicated in the hands of other retailing pioneers.

To attract customers to his store and keep them returning, Stewart exhorted his sales staff to always treat them ethically and with respect. No one should leave the store feeling they had been mistreated, either in terms of the products and service they were given or as a result of discourteous behavior from staff. Customer service was a central element of his business philosophy. He was clear that treating people well was an excellent long-term business policy. As Stewart explained, “You must never cheat a customer, even if you can...If she pays the full figure, present her with a hank of dress braid, a card of buttons, a pair of shoestrings. *You must make her happy and satisfied so she will come back*” (in Wendt and Kogan, 1952/1984, p. 23; emphases added).

Alongside well trained staff, Stewart sourced fabrics and clothing from across the world, particularly Europe, bringing the best that Paris had to offer to his customers. According to Resseguie (1964, p. 145) Stewart was the consummate retailer, understanding the needs and desires of his clients perfectly:

“If any man in New York understood the commercial implications of women's fundamental urge for finery and fashion, it was Stewart. He has realized that his success would depend on how well he could please the ladies with his merchandise, his display, and the personalities of his salesmen...Stewart understood the wants of his feminine customers.”

He stimulated consumer desire via fashion shows and occasional sales. The fact that his approach to business was greatly appealing to his target market can be supported by the fact that it was not unusual for the store to take anything up to \$10,000 in revenue daily (Wendt and Kogan, 1952/1984). Stewart's success and a number of his marketing oriented business policies would survive the decline in his business after his death (cf. Leach, 1994, p. 22), most notably in the hands of Potter Palmer.

Potter Palmer (1826-1892)

The success of A.T. Stewart's store did not go unnoticed. Other retailing pioneers would look to him for inspiration and occasionally sought his direct support. For example, John Wanamaker was given a line of credit by Stewart's wholesaling department which enabled him to maintain his Philadelphia retailing emporium during difficult financial times. Potter Palmer (1826-1892), a pioneer of retailing in Chicago, looked to Stewart for ideas about best practice. Palmer's dry-goods store (established 1852) was primarily oriented to the "quality" buyer and like Stewart, Palmer would always be available for the customer. He was frequently visible on the sales floor, often engaging with people while they were shopping, helping them identify goods that most closely matched their needs, while conversing amiably during the buying process (Wendt and Kogan, 1952/1984).

Both Stewart and Palmer's interactions with the customer were notable. Perhaps more unusual was the fact that they treated all who entered their stores with courtesy, even if they could not afford to buy. Newspapers in the middle of the nineteenth century were critical of the fact that poorer customers were frequently treated very badly by salespeople. Palmer, however, told his staff to treat each person who entered his store with equal dignity. They were not to be escorted to the door or otherwise roughly handled. Rather they were allowed to examine the available merchandise irrespective of their disposable income.

Like Stewart, Palmer's approach to business was extremely successful, making him a multi-millionaire. He made contributions to sales practice by pre-empting Wanamaker's attention to the rural market in the mid-nineteenth century (1860), cultivating trust by allowing his customers to return products if they were unhappy with them. In 1861 this policy was extended to the entire customer and product base (Wendt and Kogan, 1952/1984). Palmer's health, however, suffered and he was encouraged by his doctor to retire. This led him to sell a large share of his business to Marshall Field (1834-1906) and his partner, Levi Leiter, and it is to their business philosophy that we now turn. As we shall see, it exhibits core relational themes including a focus on customer satisfaction in order to foster long-term business relations.

Marshall Field (1834-1906)

Marshall Field has quite deservedly been described as one of the major figures in retailing history. This is perhaps no better illuminated than by the fact that upon his death, courtesy of his retail store and wholesaling activities, combined with very astute property investments, he would have been a billionaire in today's terms (Woodhead, 2012).

From his earliest work as a travelling salesman, Field embodied a relational approach. He was about as far removed from a sales orientation (Keith, 1960) as can be imagined. Field was attentive to his customers. He took copious notes about the places he would visit, the people he engaged with, using this material to personalize later interactions. According to Wendt and Kogan, Field's treatment of his customers led them to trust him and the advice he offered. He could be relied upon to only sell people items they needed or that would serve their purposes. As they write, Field "tried neither to unload slow-moving goods on the unwary nor to build a man's inventory beyond its proper dimensions. He could be trusted and relied upon" (Wendt and Kogan, 1952/1984, p. 53).

He moved to Chicago in the mid-1850s, working initially for a large dry-goods business (Cooley, Wadsworth & Company) (Palmer, 1963). Field was a serious student of business practice, paying great attention to the literature that his predominantly female

customer base read. He was knowledgeable, courteous and an excellent listener to customer concerns (Wendt and Kogan, 1952/1984). All of which enabled him to propel himself to a position of prominence within Cooley, Wadsworth & Company, being made “a partner in 1860” (Palmer, 1963, p. 8) and fairly quickly branching off into his own business with Levi Leiter in 1865. In 1867 his intrinsic motivation led him to greater heights and Field bought a substantial share in Potter Palmer’s retail and wholesaling operations. But Field was not as outgoing as either Stewart or Palmer, being by nature a quiet, self-reflective individual who was nevertheless extremely responsive to customer requirements, obtaining products from Europe, modifying these where necessary for the American audience. He was especially sensitive to any complaints that were articulated to his staff. Consumer satisfaction was therefore the ultimate aim of all Field’s activities. Connected to this, and following his early experiences, he was acutely aware that personalizing his dealings with customers was a royal road to business success. To supplement his memory, he kept an account of each consumer’s name, their interests, consumption patterns, along with personal information about their family in a notebook (Wendt and Kogan, 1952/1984).

Importantly, given the large expansion of the immigrant population in the United States, Field ensured that any customers who did not speak the English language could converse with a sales representative who spoke their native tongue (Wendt and Kogan, 1952/1984, p. 196). They would escort the wholesale purchaser around the store, helping them identify the products they required. Indeed, if the individual was a foreign traveller, there was little that Field’s would not do for their client. They booked theatre tickets, introduced them to the best restaurants in town and procured whatever would make their visit that bit more special and memorable – all of which was intended to cement relations between the firm and the customer. Even the door man kept track of the most important visitors, examining key society books to identify who they were, their interests and proclivities. Like Field, this enabled him to tailor his conversations with them, fostering a very positive impression of the store before they were through the main doors (Wendt and Kogan, 1952/1984, p. 227). Furthermore, Field retained the practices that had made Potter Palmer’s business such a success including the provision of money-back guarantees. He also offered credit to customers, frequently on flexible terms, especially during business crises, which brought goodwillⁱⁱⁱ for the company. The result? “New customers were added, few were lost” (Wendt and Kogan, 1952/1984, p. 78).

Field was explicit in underlining that all employees had to appreciate that obtaining a sale through hard-selling methods which resulted in a dissatisfied customer was not a sustainable approach to business practice, nor would it be tolerated: “...never, warned Field in his cold, careful way, *was anyone to consider a mere sale more important than holding a customer*” (Wendt and Kogan, 1952/1984, p. 156; emphases added). Again and again, he affirmed, the customer had to be pleased. As he explained to his staff: “Remember, the customer is always right” (Wendt and Kogan, 1952/1984, p. 180).

His summary of his business philosophy indicates how close his ideas are to relationship marketing in that he is encouraging staff members to avoid being tempted by immediate profits (i.e. transaction marketing) which might harm the long-term success of the business:

“There must be no misrepresentation of goods, no attempt made to foist upon customers inferior wares for quick profit. No haggling over prices – one price and one price only. Quality would be maintained regardless of price, competition or demand. “Never let a nickel loom so large that you fail to see the dollar behind it,” Field

counseled his salesmen...“Always remember,” Field told William Clark, head of his upholstery department, “we are the servants of the public.””

(Wendt and Kogan, 1952/1984, p. 92)

This is not to say that there were no occasional slips in terms of the treatment of the customer. Field’s onetime partner (their partnership dissolved in 1880) was well known for his irascible nature. In a frankly amusing instance of treating the consumer poorly, Levi Leiter verbally critiqued a client whom he thought posed an unreasonable credit risk:

“Once, while striding toward his office, Leiter spied a visitor with graying hair and a jet-black mustache. “What do you want, sir?” Leiter bellowed. The man replied, “I’ve come to buy some goods.” Peering intently at the mustache, Leiter roared, “No you don’t, sir! Your mustache is dyed and you are obviously a thief. Get out of here, and good-day, sir!””

(Wendt and Kogan, 1952/1984, p. 164).

Field had his own personal biases against certain groups. Even acknowledging his willingness to provide staff with the language skills to cater to foreign clients, when Harry Selfridge proposed the establishment of the Bargain Basement, Field was somewhat reluctant given the people it would attract. Specifically he was less than happy about Selfridge’s targeting of immigrants. As Woodhead (2012, p. 37) notes, “Field...had a deep mistrust of immigrants and shuddered at the idea of them shopping in his store. To Field and his cronies, mass immigration, especially from Germany, meant the spreading of socialism, with its inevitable demands for workers’ rights, reduced hours and higher pay” (Woodhead, 2012, p. 37).

What is fascinating about the genealogy of retailing practice we are currently reviewing is not just the general awareness of relational ideas, but how these were transmitted from one pioneer to another. Field was influenced by Palmer. John Wanamaker was especially attentive to all information he could glean about Field’s activities and he even bought A.T. Stewart’s store at Astor Place, New York in 1896 (Leach, 1994, p. 33). J.C. Penney (1961), likewise, found Stewart’s meteoric success in the face of adversity greatly inspirational. A closer point of contact was Field’s relationship with Harry Selfridge. Harry Gordon Selfridge learned a great deal whilst working for Field, after the latter had brought him into the firm in 1879 (Palmer, 1963). Selfridge’s progress through the ranks was extremely fast, and he was appointed as a “general manager” before his thirtieth birthday (Palmer, 1963).

Whilst at Field’s Selfridge continued the focus on the customer that Stewart, Palmer, Field and Wanamaker were pioneering (he also took inspiration from French retailing emporiums including Bon Marché). He was attentive to the health and welfare of those working under his command. An example highlights his concern. On one occasion, a customer lost a sum of money. A very young “cash boy” found and pocketed it. Eventually it was revealed that the young man had the cash on his person. The boy had taken this money to buy medicines for his mother and father, both of whom worked low paying jobs, were ill, and could not afford medical care. A prominent member of staff wanted the child discharged at once. Selfridge, on the other hand, went to Field and explained the situation. Field not only did not discharge the boy, but gave the family products and medicines totalling \$400. As the products were being delivered to the child’s house, the person delivering the goods ran into

Selfridge who was also dropping off needed groceries (Wendt and Kogan, 1952/1984, pp. 208-209). This approach to personnel relations was a function of Selfridge's belief that anyone could progress in the firm and that all needed his help and support along the line – a very progressive view of firm-employee relations that led the staff to view him in positive terms.

Selfridge's progressive business practices were in evidence elsewhere in store relations. Like other major retailing establishments, there was a deliberate move away from the presumption that everyone who entered should automatically buy something (Tadajewski, 2008). Selfridge, for example, expressly encouraged people to browse and wander around the store (Woodhead, 2012). And he implemented a variety of services designed to keep the customer in store for longer, including "a restaurant, reading-room, a crèche and a ladies' rest-room complete with nurse" (Woodhead, 2012, p. 5). Members of staff were on hand to offer information about local attractions to customers, book theatre tickets and assist with travel arrangements (Palmer, 1963). The staff, likewise, were provided with food services and educational offerings to help them improve their literacy and numeracy along with "a gymnasium, locker rooms with separate shower baths, and a library" (Wendt and Kogan, 1952/1984, p. 237). Field also made substantial donations to various local charities along with providing the land for the University of Chicago and financial support for the Natural History Museum – all social activities that contributed to public goodwill and patronage (Palmer, 1963).

More pragmatically, Selfridge was a passionate advocate of advertising and marketing communications. All advertisements issued by the store had to be scrupulously honest, so that no consumer would be misled and unhappy with their purchases (Wendt and Kogan, 1952/1984). He also engaged in a form of market segmentation by launching the Bargain Basement in 1880 where less affluent patrons could secure high quality Field products at reduced prices. The logic behind this is undeniable. As relational theory reminds us, business operators pursuing a relationship marketing strategy appreciate that they need to have a long-term time horizon when thinking about customer profitability. Immediate profit is not the primary objective; rather it is the anticipation of more extensive future returns that motivate the relational practitioner (Grönroos, 1996a, 1996b). Reflecting this, Selfridge realized that people who were currently restricted in terms of their budget such as young people starting their married life, were likely to increase their disposable incomes over their lifecycle. Bringing them into Field's via the Bargain Basement held out the promise that they could be converted into purchasers of other items offered by the store; items that were more profitable for the business.

The interest in people without the resources to necessarily buy immediately from Field's went further than this, however. By 1912, Field's was advertising that they were happy to cater to children. This links with relational discourse in perhaps an obvious way: target children, ensure they perceive the store in favorable terms, and when they were old enough, they would shop where they had previously had pleasurable experiences (e.g. Leach, 1994, p. 87) – a tactic that Wanamaker also utilized extensively, producing free store oriented reading materials for children to take away (Tadajewski, 2008).

Similarly, Selfridge was extremely attentive to customer relations, especially when they had been broken off for some reason. In one case, he was told about the wife of a local dignitary who had previously been a good customer. After finding out about her mistreatment by a seamstress, Selfridge had an employee invite her into the store for a personal interview with him. To deal with her dissatisfaction, he refunded her money, underlined the

commitment of the store to her satisfaction, and received affirmation from the customer that she would resume her relations with Field's (Wendt and Kogan, 1952/1984).

Selfridge, however, was more ambitious than even his partnership position at Field's provided and sought to launch his own retail store. Leaving Field's in 1904, his initial store in Chicago was a failure; his store in London which is still in operation today was much more successful.

Harry Gordon Selfridge (1856-1947)^{iv}

Selfridge's retail empire did not get off to an auspicious start in the period between 1906 and March 1909 when his London store opened. There were many teething issues with builders, planning permissions, financing and a host of other factors, but Selfridge's personal enthusiasm and tenacity triumphed. From the start of his London endeavors, Selfridge was an avid market researcher, identifying the demographic data that he needed, finding out which stores were most frequented, their product offerings and key marketing tactics (Woodhead, 2012).

Woodhead (2012) notes that he was especially attentive to the likely cost of advertising his new store – and Selfridge would be a very large purchaser of advertising space – working out what were the going rates for each publication. His focus on advertising and the need for adroit public relations meant that Selfridge was a cultivator of the press. He appointed a press agent, kept track of editors' birthdays, important family occasions and provided space and resources in his store for reporters to use, including a well-stocked bar for their refreshment (Woodhead, 2012). In addition, Selfridge ensured that there were regular newsworthy stories about his store available for dissemination by the reporters; even their wives were given special treatment in the store's restaurant, once again keeping all parties firmly on side. Linked to this, he engaged in corporate relations, supporting charitable efforts, organizing fund raising events, as well as ensuring that any members of his staff who wished to serve in WWI could do so with the guarantee that their position would remain vacant until their return; all of which reaffirmed the position of the company within the local and national community (Woodhead, 2012).

Selfridge's approach to customer relations mirrored the practices he had encouraged at Field's and that were rapidly becoming common across the retailing empires of other merchant princes. While we can only gesture to a sample of the range of services offered by Selfridge, he provided customers with access to current periodicals, space for rest and recuperation, a restaurant with live music, access to medical services, access to booking services, even offering a variety of hairdressing facilities for men and women. The rationale behind the provision of these services was commensurate with the logic underpinning Wanamaker's equally extensive and impressive offerings: they ensured that people stayed in store for longer, ended up purchasing more, and generally contributed to goodwill. Service, in short, paid for itself (Woodhead, 2012).

Selfridge's business philosophy was fairly strict in that he demanded conscientious and courteous behavior from all staff, at all times, with failure to deliver met with swift dismissal. While he was attentive to the needs of most of his employees, the firm did use "sweated labour" in the production of some of its goods, overtime payments were often not forthcoming, pension provision was non-existent and medical benefits conditional on managerial gift (Woodhead, 2012). Furthermore, depending on the paradigm brought to bear on Selfridge's actions, his approach to his employees could speak to paternalism or discipline. He certainly monitored his employees very closely, identifying their positive

behaviors as well as those below par. The latter were subject to modification through employee training. And Selfridge's had their staff participate in a training program which was intended to make them more efficient, more effective workers, better able to cater to customer needs (Woodhead, 2012). The schedule of classes was fairly demanding. There were:

“...obligatory morning staff training sessions for the whole workforce, anyone under the age of 18 – and many were – had to attend compulsory evening classes four nights a week. They were given lectures, slide shows and demonstrations, and when they had ‘qualified’ in the sense of completing the course, certificates and prizes – usually a signed book – was handed out at a strawberries-and-cream garden party on the roof terrace. Proud parents were invited to witness the passing-out parade at which their young son or daughter received a ribbon-tied certificate from Mr Selfridge himself.”

(Woodhead, 2012, p. 130)

What this brief review of Selfridge's business practices indicates is that he took the best of the philosophy enacted by Marshall Field, combined it with his own views about customer service, public relations and internal marketing and education, along with an abiding interest in market research, to orient a firm that embodied the best of relational practices. Given this philosophy, Selfridge's vivacious nature and his willingness to mix business activities with social events, it is hardly surprising that his store garnered very positive media coverage and the enduring patronage of their clientele. It is just a shame that Selfridge's personal life was so much less successful than his business.

J.C. Penney (1875-1971)

J.C. Penney has left a rich legacy of writing that enables us to comprehensively trace his business philosophy. From the start, he underlines his commitment to Christian ethics and stresses how this informed his business practices, including his hiring policy (only those who subscribed to a religious deity were employed). This influence stemmed from his upbringing, especially the ethical virtues taught by his father (Beasley, 1948), as well as from his earliest employment position in 1895 working as a general salesman for J.M. Hale and Brother (Penney, 1950, 1961, p. 35; Plumb, 1963, p. 41). An ethical orientation was further underscored when he started work for Callahan & Johnson in 1899.

Hale encouraged him to be attentive to what his customers – who tended to be lower income people – needed and could afford, ensuring that they were provided with product offerings suitable to their requirements. Penney's customer orientation was equally a concomitant of his mistreatment by other staff while he worked at Hale's. He found that more experienced salesmen were quick to take command of any customer who entered the store, leaving him with plenty of time to examine the stock for its qualities and selling points (Penney, 1961, p. 41-42).

Like Marshall Field (who Penney praised) and Harry Selfridge, Penney paid considerable attention to the local market in which he operated, refusing to rely on guesswork and preferring to be systematic in studying his patron's requirements (e.g. Beasley, 1948, pp. 94-95). He closely studied his stock, establishing its merits so that he could communicate these to customers. This was a practice that he sometimes took to unusual lengths, as when he was working with Callahan & Johnson visiting wholesalers, he took samples and repeatedly washed them in a hotel sink so that he could guarantee that the color would not run (Penney, 1950, p. 96).

All Penney's products had to provide maximum value for money. Delivering good value combined with desirable goods was the main way the store could ensure the loyalty of their customer base (Beasley, 1948, p. 209). Complementing this, for Penney *caveat emptor* was not an appropriate way to deal with the customer. Treating people badly, selling them products they did not need, was a fundamentally short-term approach to business that would undermine public confidence. Ethical responsibility, he believed, resulted in good will and good will translated into profits (Penney, 1950, p. 36).

At its most basic, Penney subscribed to the Golden Rule, even naming his first store founded in 1902 in Wyoming a "Golden Rule" store^v (Penney, 1961, p.13). All his activities at this first store were the result of the application of an emergent business philosophy. Penney enumerates this as follows:

"Preparation Wins. A man must know all about his business. He must know a little more than any other man knows. As a rule we achieve what we prepare for.
Hard Work Wins. The only kind of luck that any man is justified in banking on is hard work, which is made up of sacrifice, persistent effort, and dogged determination. Growth is never by mere chance. The success we build will be the achievement of our united efforts.
Honesty Wins. This must be not only the kind of honesty that keeps a man's fingers out of his neighbor's till, but the finer honesty that will not allow a man to give less than his best, the kind of honesty that makes him count not his hours but his duties and his opportunities, and constantly urges him to increase his efficiency.
Confidence in Men Wins...The Spirit Wins...A Practical Application of the Golden Rule Wins."

(Penney, 1950, p. 85; emphases in original)

Consistent with the point about honesty, Penney expected all employees to adhere to his ethical code: goods had to be accurately represented and sales staff had to be scrupulously honest in their dealings with the consumer. Everyone had to be well treated and made to feel welcome in store. Their confidence was sought by way of adhering to the one-price system, so that no one received preferential treatment, and the issue of equality fed through all exchange relationships for Penney, and was a central part of his "original body of doctrine". He often referred to the "mutuality of interest between seller and consumer" (Beasley, 1948, p. 104). Explaining what he meant by this phrase, he says:

"We owed a service to our community. Unless our customers were able to save money on everything they bought, we had no right to be in business. We had to be constantly vigilant that, in pursuing ambition for success, we did not fall into the way of making too much profit, a lion's share. Lasting prosperity for ourselves would only come if the people of our communities were happier and better off for our being among them."

(Penney, 1961, p. 60)

Penney maintained that he and his staff had to provide accurate and timely advice to their clients. Providing high quality information induced trust and this would lead customers to return again (e.g. Beasley, 1948, p. 95; Penney, 1950, p. 78). And all elements of their engagement with the consumer had to reach the highest standard, including something as simple as packaging items. All products had to look as good as they did in store as soon as they were opened by the purchaser at home. Packaging products in an appropriate manner stimulated consumer confidence and "confidence, and knowing how they can expect to be

treated, *will bring customers back a second time, and keep them coming back*. This was the way of doing business for which I wanted to be known” (Penney, 1961, p.15; emphases added). In other places, he wrote: “With each sale we have two chances to make a good impression on the customer: one when we present to him in the store clean, attractive stock to buy; the other when the parcel is opened at home and the favorable impression created in the store is confirmed, *generating the will to return to trade with us again, and again, until doing so becomes a regular habit*” (Penney, 1950, p. 105; emphases added; see also Beasley, 1948, p. 76). Both quotes clearly indicate the importance of holding patrons for the long-term, that is, the pursuit of a relational approach rather than transaction marketing.

Penney’s approach to advertising was consistent with his ethics. All communications had to convey the idea that Penney’s stores offered excellent value and service for the price. Honesty was a primary policy and this meant that no marketing communications should imply that the products being sold were actually being sold for less than they were worth (e.g. Penney, 1961, p. 185). Stylistically, his early advertising was similar to that produced by John Wanamaker. It had to be “honest and believable” (Penney, 1961, p. 187). It was, therefore, somewhat folksy and intended to cultivate trusting relations between the customer and the company. All colorful turns of phrase and anything likely to mislead the consumer were consequently eliminated from his communications (Penney, 1961, pp. 188-189). Once again, all these aspects of Penney’s business practice are keyed into the idea that trust had to be cultivated between the company and the customer if they were to return to the store in the long run.

Like many of the retailing pioneers discussed above, Penney was aware that happy, satisfied workers were important in ensuring the satisfaction of the customer. As such, Penney provided a generous employee package: company financed holidays, health care benefits, death in service benefits and retirement financing (Beasley, 1948, pp. 118-119). Expanding the purview of his attention, Penney also encouraged his store managers to involve themselves in their local community. This included the provision of financial support for worthy projects, engagement with community and religious groups, all with an eye to ensuring public approbation (Beasley, 1948, pp. 216).

So, once again, here we have the activities of a pioneer retailing figure whose practice exemplifies the tenets of relationship marketing: catering to the customer and ensuring their satisfaction in order to garner repeat patronage. All organizational activities such the benefits provided to workers supported this primary objective. And lest we assume that it was only American or British retailers who were engaged in sophisticated relationship-type practices, we need only briefly turn our attention to activities outside of the United States to Canada.

Relational Practice in Canada^{vi}: Timothy Eaton (1832-1907)

It was not only in the United States and England that companies sought to foster relationships with their target market. In Toronto, Canada, for instance, the T. Eaton Company (founded in 1869) – another general retail store – mimicked that being employed by John Wanamaker (Haight, 2013). The novelty of their strategy, however, lay in terms of the way they sought to educate their customers about the use and function of consumer credit, as we shall see.

As Haight (2013) points out, the parallels with Wanamaker’s business philosophy are obvious. All prices were explicitly marked up and all paid the same amount. And all products could be returned to the store if they were unsuitable for purpose. There were also many other services provided for customer comfort including delivery services, mail order, a restaurant, periodic events targeted at attracting patrons to the store (e.g. showcasing the latest fashions

and Christmas festivities), along with facilities for children. What Eaton desired though, was to expand the audience for his store, moving from focusing his energies on the poorer sections of the population to the increasingly wealthy middle and upper classes with the resources to buy the products he sourced from around the world (Haight, 2013).

Eaton's consumer educational activities were closely connected to their business and the pursuit of profit. As a response to the tactics employed by a local retailing business that had started to offer consumer credit (in 1914), Eaton's underwent a period of reflection about whether to offer a similar facility for their customers. They were aware that some of the bigger ticket items, like furniture and household equipment, were frequently difficult to obtain on even a semi-decent income, but were concerned their brand equity was based upon the idea that Eaton's prices were competitive as a result of their cash-only policy. As a function of sales stagnation, during the 1920s Eaton's introduced consumer credit, stressing that the costs of their service were borne by the people using it – not Eaton's cash customer (Haight, 2013).

In an adroit piece of corporate rationalization, the executives of the company reflected on the changing social and economic conditions, noting the increased consumption of leisure items (movies, food and so forth), and the fact that people were ready to spend their money on ephemeral consumption options rather than on items likely to last a lifetime like furniture. Here we see Victorian values creeping into Eaton's business policy and the executives – principally R.Y. Eaton – argued that by enabling people to access credit they would consequently not waste money on fripperies (Haight, 2013).

Haight (2013) illuminates that this paternalistic business philosophy also had a moral dimension. Buying furniture and making the household a more attractive place would stop male members from seeking diversion elsewhere (i.e. in saloons). This could potentially contribute to social harmony and health. Having engaged in this process of rationalization, Eaton's cemented their position as educator to the public by firstly enacting a value system that encouraged thrift and long-term purchasing decisions via an extensive advertising campaign. Secondly, they copied an approach undertaken by John Wanamaker, that is, they built a house called "Thrift House" in their store that contained the kinds of items that were purchasable by families on a (still) fairly substantial income.

Thrift House enabled their customers to visualize what their life could look like, provided they had the financial resources themselves or were able to access these through the credit services offered by Eaton's. Connected to Thrift House were a team of home economist advisors to help the prospective customer budget and plan their expenditures, weeding out those who would not meet the rigorous criteria for accessing consumer credit employed by the company. This possibility of being rejected for credit might sour some business-consumer relations for life; an issue that executives appreciated (Haight, 2013). Despite this, the popularity of Thrift House ensured it remained a feature of Eaton's department store until the middle of the 1950s (Haight, 2013).

What this case underscores is that firms did have relationships which were often long-lasting with their customers and these relations were sometimes paternalistic in nature – a feature of such relations that does not figure very prominently in relationship marketing work today.

Relationship Marketing in the Practitioner Literature

Given what we know about relational practices featuring prominently in the business environment of the nineteenth century, it is not unexpected that practitioners were writing about similar topics. In a review of a Canadian periodical, *The Canadian Dry Goods Review*, Jones and Richardson (2007) provide us with an insight into what wholesalers and other forward thinking business practitioners were espousing in the 1880s and 1890s. What is noticeable is that these practitioners were not production led as Keith (1960) would have us believe. In fact, they registered the need to be attuned to consumer requirements and that this required appropriate market study. Like the recommendations documented by Larson (2001) in terms of twentieth century publications, those writing in the 1890s appreciated the need for manufacturers, wholesalers and retailers to work in concert (see also Tadjewski and Saren, 2009). The former two groups were expected, for instance, to listen to what their customers needed in terms of promotional support and assist them wherever possible. This even ran to producing new products to satisfy unfulfilled needs.

Serving to question the incorrect academic wisdom that segmentation is a function of Wendell Smith's (1956) influence, early practitioners registered that they needed to focus their energies on the most profitable customers – a feature of practitioner writings throughout the early twentieth century, particularly with reference to mail order businesses (Tadjewski and Saren, 2009) – who ideally should be encouraged to become “repeaters”. As Jones and Richardson (2007) and Tadjewski and Saren (2009) both signal, practitioners appreciated that they might lose money on initial sales, but the gains in knowledge that were possible through repeated interactions meant that eventually sales to these customers would be profitable. As Jones and Richardson highlight, practitioners were both encouraged to be customer oriented and avoid engaging in hard-selling activities. The latter would lead to the termination of business relations. This is not to say that hard-selling tactics were not in evidence, just that commentators publishing recommendations for those wanting to be at the cutting edge of best practice actively discouraged such behavior. Listening to the customer, providing what they wanted, without pressuring them into buying was the key to success; in short, being “polite” to the customer was essential. An article from *The Canadian Dry Goods Review* sketches the contours of these debates:

“There are some salespeople who are so eager to make sales for which they will get individual credit that they often forget the interests of the house, and do things which, while it may result in their making a sale for which they get personal credit, still is to the disadvantage of the house in the long run in that it does not give the customer as good satisfaction as if the clerks had neglected their individual interests for the time being... *It is a nearsighted policy which only looks at the today and forgets the tomorrow.*”

(in Jones and Richardson, 2007, p. 21; emphases added)

The views of practitioners from the late nineteenth century were echoed by their twentieth century counterparts. Salespeople were encouraged to look at each exchange interaction not as the culmination of a process, but as the start of a more lasting relationship (Larson, 2001; Tadjewski and Saren, 2009). They were advised to understand what the customer needed, wanted and desired and to provide the necessary items. Throughout all these discussions the idea that each exchange should result in “mutual benefits” is reiterated (Larson, 2001, p. 51). While we should be cautious about assuming how equal these relations were given the unequal size and resources at the command of a corporate actor (e.g. Strasser, 1989, pp. 25-26), Larson describes this discourse on mutual benefits as being very reminiscent of the “win-win philosophy” that grounds present day relationship marketing.

Linked to this “mutual benefit” argument was the idea that a firm did not have to expect that its activities on behalf of a client would necessarily result in an immediate sale (Larson, 2001). Rather, articles published at the cusp of the 1920s indicate that the provision of service was given increased credence by firms in anticipation that it fostered goodwill and future exchanges.

What it is important to note is that writers of this period were well aware of the exchange of appropriate value. People must receive what they considered to be appropriate value for money. Once again, the route to success registered by early writers revolved around customer satisfaction. If the customer was happy with their purchases, they would return to the same store or salesperson again. This, of course, was contingent upon the exchange relationship being pleasant and something the customer wanted to be repeated. There were many examples where interactions with salespeople left a great deal to be desired (e.g. Bellamy, 1888/1996, p. 153). But what Larson’s (2001) close reading identifies is that such high-pressure selling was subject to serious criticism during the early twentieth century. By the 1920s, writers were even using the kinds of marriage metaphors to describe the selling experience that would be popularized by Theodore Levitt in 1983.

The presence of these relational themes makes a further contribution to historicizing marketing practice. It firmly consigns to the trash-can of history the argument repeated in the majority of our current textbooks that marketing has moved from a production, sales, marketing and on to a relationship marketing era (Jones and Richardson, 2007). Larson, for instance, points out that best practice in the early 1930s – the so-called sales era (Keith, 1960) – assumed that a “confrontational (win/lose) selling style was...antiquated” (Larson, 2001, p. 45). Fullerton (1988), by contrast, offers a slightly more tempered view of the situation, stressing the continued prevalence of some hard-selling alongside the rise to prominence of arguments against such “short-sightedness” (Fullerton, 1988, p. 120).

Conclusion

This paper has made a case that relationship marketing has a far long history than is generally appreciated. The idea that it was only in the 1960s and 1970s that practitioners and scholars alike suddenly registered once again the value and usefulness of relational perspectives is fundamentally ahistorical. To problematize these arguments, a number of extant publications that have sought to challenge the idea that business practitioners were unaware of building lasting relationships with their customer base were briefly explored. Many of these studies were based upon historical scrutiny of the academic marketing literature of the early twentieth century (Tadajewski and Saren, 2009), the business-to-business literature (Keep *et al.*, 1998; Tadajewski, 2009b) or the research conducted on trade associations (Tadajewski, 2009a). Far less research has explored the practices of retailing pioneers to explore whether they were engaged in either transactional or relational marketing practices during the nineteenth and early twentieth century (Tadajewski, 2008).

According to some commentators, historical analysis should have indicated the presence of transaction marketing, with limited, if any, focus on the consumer and their needs, wants and desires. There should also have been a conspicuous absence of attention to service and a commitment to pursuing profit maximization even if this was deleterious in terms of repeat business. What this study reveals, by contrast, is that some of the most prominent pioneers of retailing were intent on cultivating personal relationships with their customers. A.T. Stewart, Potter Palmer, Marshall Field and others (including a doorman!) sought to personalize their engagements with the customer. They were attentive in learning the names of key clients, their interests, and consumption habits, using this to inform how

they engaged with them in future. For these pioneers, their customers were conceived as king or queen in the retailing environment. Their needs and desires were often paramount, with some going to great lengths to satisfy the consumer. Marshall Field, for one, frequently talked about “holding a customer” (Wendt and Kogan, 1952/1984, p. 161). This was achieved by assuming that “the customer is always right” (Wendt and Kogan, 1952/1984, p. 180) and by giving them exactly what they wanted.

These pioneers were well aware that developing relationships with people was contingent upon giving them the products and service that they valued; valued in the sense of paying for it and returning again and again. J.C. Penney, for example, was shown to understand that his lower income customers wanted value for money, products which conformed to expectations and were delivered well packaged. When all of these factors were in alignment, Penney believed that repeat custom would be forthcoming. In the case of Wanamaker, he felt it morally appropriate to charge no more than six percent profit on each item sold (Tadajewski, 2008). Penney, likewise, held that his company should not receive disproportionate benefits from any exchange: mutual benefit was the order of the day (Penney, 1950, p. 99). Fair treatment, reasonable prices, pleasant staff and surroundings, all helped to affirm the commitment of these retailing pioneers to their ultimate customer. In some cases, company-consumer relationships literally lasted a lifetime (Tadajewski, 2008).

Related to the issue of consumer value and confidence, the marketing communications campaigns of Marshall Field, Harry Selfridge, T. Eaton, and J.C. Penney sought to cultivate a positive image for their organizations. All products were meant to be truthfully and accurately represented. And this did contribute to the goodwill these firms managed to create among their target audiences. Confidence, trust, goodwill and repeat custom often go hand-in-hand historically as well as in the contemporary environment, with all of these elements figuring prominently in relational discourse.

To underscore the main argument presented in this paper once more: relational practices did not disappear with the industrialization of the United States (e.g. Sheth and Parvatiyar, 1995). The retailing pioneers examined here were prominent marketplace actors and they all engaged in practices now associated with relationship marketing. While there are some companies who did and continue to pursue a transaction-type approach (Brodie *et al.*, 1997; Jones, 1916), those individuals who made themselves very wealthy in retailing appear to have appreciated the value of learning as much as possible about the consumer and servicing them well, if they were to retain them. It is time our textbooks reflected a knowledge of this history and that the rhetorical positioning of relationship marketing as a practice that grew to prominence in the 1970s is jettisoned.

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ⁱ Even so, we should appreciate that there still remained "many persons" engaged in the pursuit of short term, transaction-like "misfit sales" which secured initial profit at the expense of any cultivation of "permanent trade connections" (Jones, 1916, p. 366).

ⁱⁱ Clearly parsing where instrumental relationships become social and personal is of course very difficult to do. Part of the logic underpinning debates about reciprocity, trade relations and relationship marketing is that closer relations between firms often leads to less price sensitivity. So, even when we register personal relations creeping into business practice, we must bear in mind that instrumentalism is not necessary absent.

ⁱⁱⁱ On the history of goodwill as a legal concept, its contingency on consumer interest and repeat custom, see Strasser (1989, p. 43).

^{iv} There is some confusion over the date of Selfridge's birthday, with some sources listing 1857 (including his grave), 1858, and 1864. I have selected the date given in the book length study of Selfridge by Woodhead (2012, p. 13).

^v Penney eventually changed the name of his stores to the J.C. Penney Company (circa 1912-1913) (Penney, 1950, p. 93). This did not mean that the ethical values underpinning the Golden Rule were neglected, far from it (e.g. Penney, 1961, p. 62).

^{vi} Page limitations mean that we cannot explore other pertinent examples. The interested reader could, for instance, gain some insight into relational practices undertaken at The Bon Marché (e.g. Miller, 1981, pp. 99, 100, 105, 129, 168, 171, 175, 186, 229). This store engaged in various activities to support their employees (as well as discipline them), target desirable customers including children as future patrons, and provided various amenities to make the shopping experience more pleasurable.